

**OVERSIGHT BOARD TO THE FORMER
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON
STAFF REPORT**

DATE: NOVEMBER 20, 2013

TO: HONORABLE CHAIRMAN AND BOARDMEMBERS

FROM: THE EXECUTIVE DIRECTOR

SUBJECT: A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON CONDUCTING A PUBLIC HEARING AND APPROVAL OF SALE AND DISPOSITION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND PRISM-IQ PARTNERS, LLC FOR DEVELOPMENT OF CERTAIN SUCCESSOR AGENCY OWNED PROPERTY LOCATED AT 1420 NORTH MCKINLEY AVENUE

SUMMARY

Staff respectfully request the Board to concur with the Successor Agency Board's approval on September 4, 2012 of the sale and disposition agreement between Prism-IQ Partners, LLC and the Successor Agency in connection with certain Successor Agency owned property located at 1420 N. McKinley Avenue in the City of Compton.

BACKGROUND

In its aggressive effort to stimulate private sector investment into the community to expand the City's tax base, the Successor Agency to the Community Redevelopment Agency (Agency) has continuously sought out prestigious and accomplished developers as partners in the rebuilding of Compton. In furtherance of this economic development effort, the Successor Agency has received a proposal from Prism-IQ Partners, a recognized leader in the development of high quality retail and industrial projects, to develop a Class "A" Light Industrial Business Park in the City. The 6.7 acres site is owned by the Successor Agency and is located at 1420 N. McKinley Avenue.

STATEMENT OF THE ISSUE

Prism-IQ, a leader in infill development is the developer of Gateway Towne Center (Phase I), a very successful class "A" multi-tenant retail power center featuring first-tier tenants as Target, Home Depot, Best Buy, Staple and Ross. The Gateway Town Center has been instrumental in rejuvenating the tax base of an underutilized vacant site. With a portfolio of over 3.2 million

square feet of retail centers and 2.5 million square of industrial space, Prism-IQ has demonstrated competency in acquisition, entitlement, financing, construction and operations of retail and industrial projects spanning over 23 years.

ECONOMIC BENEFITS ANALYSIS

The subject property is located off Rosecrans Avenue, a major arterial thoroughfare in the City. In addition, the development of a Class “A” Light Industrial Business Park, the project will offer several other Economic benefits to the City, such as:

1. The sale of this property to a private party will allow the Successor Agency to further the implement the economic development goals of the Successor Agency and the City of Compton. The Class “A” Light Industrial park that will be approximately 130,000 square feet and will create approximately 200 temporary construction jobs and 150 permanent full-time jobs in the City of Compton. The developer will work with the City’s Careerlink and Local Workforce Employment agency to ensure that qualified Compton residents are hired in all phases of the development.
2. The City will receive increased property tax revenue, because the property currently does not participate in the property tax roll as public land. Once the development is completed, it will create a new property tax value of approximately of \$16 million dollars.

The developer anticipates that the construction schedule for this project will be eight (8) months and the development should be fully leased within nine (9) months after the completion of construction activities.

FISCAL IMPACT

There is no impact to the City’s General Fund with the approval of this resolution. Prism-IQ Partners is proposing to purchase the site from the Successor Agency for approximately \$3.3 million dollars. The proceeds from the sale of this property will go directly to the State for redistribution to the affected taxing entities. The Successor Agency does not receive any proceeds from the sale of this property, in accordance with Assembly Bill 26.

RECOMMENDATION

Staff respectfully request the Board to approve the proposed agreement between Prism-IQ Partners, LLC and the Successor Agency for purchase, disposition and development of certain Successor Agency owned property located at 1420 N. McKinley Avenue in the City of Compton.

DR. KOFI SEFA-BOAKYE
REDEVELOPMENT MANAGER

G. HAROLD DUFFEY
EXECUTIVE DIRECTOR

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON CONDUCTING THE PUBLIC HEARING FOR THE SALE AND DISPOSITION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND PRISM-IQ PARTNERS, LLC OF CERTAIN SUCCESSOR AGENCY OWNED PROPERTY LOCATED AT 1420 NORTH MCKINLEY AVENUE

WHEREAS, in its aggressive effort to stimulate private sector investment into the community to expand the City's tax base, the Successor Agency to the Community Redevelopment Agency (Agency) has continuously sought out prestigious and accomplished developers as partners in the rebuilding of Compton; and

WHEREAS, in furtherance of this economic development effort, the Successor Agency has received a proposal from Prism-IQ Partners, a recognized leader in the development of high quality retail and industrial projects, to develop a Class "A" Light Industrial Business Park in the City. The 6.7 acres site is owned by the Successor Agency and is located at 1420 N. McKinley Avenue; and

WHEREAS, pursuant to resolution #14, the Board of Directors of the Successor Agency to Community Redevelopment Agency approved the sale and disposition agreement between Prism-IQ Partners, LLC and the Successor Agency in connection with development of certain Successor Agency owned property located at 1420 N. McKinley Avenue in the City of Compton; and

WHEREAS, Prism-IQ, a leader in infill development is the developer of Gateway Towne Center (Phase I), a very successful class "A" multi-tenant retail power center featuring first-tier tenants as Target, Home Depot, Best Buy, Staple and Ross. The Gateway Town Center has been instrumental in rejuvenating the tax base of an underutilized vacant site. With a portfolio of over 3.2 million square feet of retail centers and 2.5 million square of industrial space, Prism-IQ has demonstrated competency in acquisition, entitlement, financing, construction and operations of retail and industrial projects spanning over 23 years; and

WHEREAS, the subject property is located off Rosecrans Avenue, a major arterial thoroughfare in the City. In addition, the development of a Class "A" Light Industrial Business Park, the project will offer several other Economic benefits to the City, such as:

1. The sale of this property to a private party will allow the Successor Agency to further the implement the economic development goals of the Successor Agency and the City of Compton. The Class "A" Light Industrial park that will be approximately 130,000 square feet and will create approximately 200 temporary construction jobs and 150 permanent full-time jobs in the City of Compton. The developer will work with the City's Careerlink and Local Workforce Employment agency to ensure that qualified Compton residents are hired in all phases of the development.
2. The City will receive increased property tax revenue, because the property currently does not participate in the property tax roll as public land. Once the development is completed, it will create a new property tax value of approximately of \$16 million dollars.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVE, AND ORDERS AS FOLLOWS:

Section 1. That the above recitals are hereby true and correct and are a substantive part of this resolution.

Section 2. That this resolution is adopted pursuant to Health and Safety Code Section 34177.

Section 3. That the Oversight Board conducts the public hearing for the Sale and Disposition between the Successor Agency and Prism-IQ Partners of certain Successor Agency owned property located at 1420 North McKinley.

Section 4. That there is no negative impact to the City of Compton or the affecting taxing entities with the approval of this resolution.

Section 5. That Prism-IQ Partners is proposing to purchase the site from the Successor Agency for approximately \$3.3 million dollars.

Section 6. That the officers and staff of the Oversight Board and the Successor Agency are hereby authorized and directed, jointly and severally, to execute the agreement as agreed upon by all parties and to do any and all things which they may deem necessary or advisable to effectuate this resolution.

Section 7. That a certified copy of this resolution shall be filed in the offices of the Executive Director of the Successor Agency.

ADOPTED this ____ day of _____, 2013.

**CHAIRPERSON OF THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

ATTEST:

**SECRETARY TO THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Tanya Ruiz, Secretary to the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the ____ day of _____, 2013.

That said resolution was adopted by the following vote, to wit:

AYES: BOARD MEMBERS -
NOES: BOARD MEMBERS -
ABSENT: BOARD MEMBERS -

**SECRETARY TO THE OVERSIGHT BOARD
TO THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

PRISM-IQ PARTNERS

1428 McKinley Ave Development
Project





WEST ELEVATION - MCKINLEY AVENUE

SCALE: 1" = 20'-0"

COMPTON BUSINESS PARK

SCALE: 1" = 20'



City of Compton, California

architect:

RG&A

Office of Architectural Design

development

